

Rental Assistance Demonstration (RAD); Rider to the Section 8 Project-based Voucher (PBV) Housing Assistance Payments (HAP) Contract for New Construction or Rehabilitation (Rent Supplement, Rental Assistance Payment and Section 8 Moderate Rehabilitation Program Conversions; Second Component)

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

1. Purpose

This Rider is to be executed between the Public Housing Agency (PHA) and the owner of an eligible project in connection with HUD approval of the use of tenant-protection vouchers issued under section 8(o) of the United States Housing Act of 1937 (1937 Act), for PBV assistance under RAD. This Rider is used when the project qualifies as PBV “rehabilitated housing” or “newly constructed housing” under 24 C.F.R. § 983.3, and must be attached to the PBV HAP Contract for New Construction or Rehabilitation.

2. Authority

The Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011, states, in part, under the Rental Assistance Demonstration account, “That for fiscal years 2012 and 2013, owners of properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) (except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the McKinney-Vento Homeless Assistance Act) of the United States Housing Act of 1937, for which an event after October 1, 2006 has caused or results in the termination of rental assistance or affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of the Act, shall be eligible, subject to requirements established by the Secretary, including but not limited to tenant consultation procedures and agreement of the administering public housing agency, for conversion of assistance available for such vouchers to assistance under section 8(o)(13) of the Act, to which the limitation under subsection (B) of section 8(o)(13) of the Act shall not apply and for which the Secretary of Housing and Urban Development may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) of the Act.”

3. HUD Requirements

The owner must comply with all HUD requirements, as defined in section 2 of the PBV New Construction or Rehabilitated Housing HAP Contract. HUD requirements include Notice PIH 2012-32; Rental Assistance Demonstration —Final Implementation.

4. Special Requirements Under RAD

Except as noted in this Rider, RAD projects are subject to all HUD requirements, including the PBV regulations in 24 C.F.R. part 983.

- A. **Owner Proposal Selection Procedures.** Projects will be selected for assistance in accordance with the provisions in the RAD implementing notice. Therefore, 24 C.F.R. § 983.51 does not apply.

- B. **Term of Initial Contract.** In order to participate in RAD, PHAs and owners must agree to an initial term of 15 years. The initial contract term may not be for a lesser term, nor may it exceed the 15-year limit.
- C. **Extension of Term.** The PHA and the owner may agree to enter into an extension of the HAP contract at the time of initial HAP contract execution or any time prior to expiration of the contract. Any extension, including the term of such extension, must be in accordance with HUD requirements. The PHA must determine that any extension is appropriate to achieve the long-term affordability of the housing or expand housing opportunities.
- D. **Percentage Limitation.** Section 8(o)(13)(B) of the 1937 Act and 24 C.F.R. § 983.6 do not apply to assistance provided under RAD.
- E. **Consistency With PHA Plan and Other Goals.** Section 8(o)(13)(C)(ii) of the 1937 Act and 24 C.F.R. §§ 983.57(b)(1) and (c) do not apply.
- F. **Income Mixing.** Section 8(o)(13)(D) of the 1937 Act and related regulatory provisions. The 25 percent limitation on the number of units in a project that may receive PBV assistance is increased to 50 percent. An assisted family shall not be involuntarily displaced as a result of this provision. In addition, the excepted unit provisions in the PBV regulations generally apply to RAD projects. However, for existing families occupying units when the PBV contract is initially executed, a unit may count as a supportive service excepted unit if the PHA offers the family supportive services. The family is not required to accept the services, and may not be evicted for a refusal to accept such services. Once an existing family leaves a supportive service excepted PBV unit, the PHA and owner must comply with 24 C.F.R. § 983.56(b)(2)(B) ("Families Receiving Supportive Services") and all other HUD requirements in order to continue treating the unit as a support service excepted unit.

**Signatures:
Public Housing Agency**

Owner

Print or Type Name of PHA

Print or Type Name of Owner

Signature

Signature

Print or Type Name and Title of Signatory

Print or Type Name and Title of Signatory

Date (mm/dd/yyyy)

Date (mm/dd/yyyy)

